



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0394	Title:	Dental benefit for underinsured children
Primary Sponsor:	Jones, William J	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$75,000	\$75,000	\$75,000	\$75,000
State Special Revenue	\$74,591	\$74,701	\$74,740	\$74,596
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$75,000	\$75,000	\$75,000	\$75,000
Net Impact-General Fund Balance	<u>(\$75,000)</u>	<u>(\$75,000)</u>	<u>(\$75,000)</u>	<u>(\$75,000)</u>

Description of fiscal impact:

This bill creates a program to cover basic dental care expenses for underinsured children who are not eligible for Montana Medicaid or the Children's Health Insurance Program (CHIP) and provides a \$75,000 each year appropriation.

FISCAL ANALYSIS

Assumptions:

Department of Public Health and Human Services

1. Section 12 of this bill, transfers \$75,000 each year of the biennium from the general fund to state special revenue account defined in Section 11.
2. For this fiscal note, it is assumed that the level of funding limited for this biennium will be renewed at the \$75,000 per year level for the next biennium.
3. The state special revenue account is appropriated in Section 11.
4. Optional revenue generated from participant cost-sharing fees outlined in Section 8 will be deposited into the state special revenue account defined in Section 11.
5. For this fiscal note it is assumed that no additional revenue will be deposited to the state special revenue account above the \$75,000 transferred from the general fund.
6. The Department of Public Health and Human Services will hire 0.50 FTE, pay band 3 Eligibility Technician for eligibility and program management. It is estimated that the personal services will cost

\$22,979 in FY 2008, \$22,979 in FY 2009, an increase of 2.5 percent in FY 2010, \$23,553, and an increase of 2.5 percent in FY 2011, \$24,142.

7. Operations are affected by the hire of the additional FTE resulting in an increase of \$4,197 in FY 2008 (office package \$1,375, and PC, \$1,400, and annual operating costs of \$1,422), in FY 2009 \$1,422, an increase of 2.5 percent in FY 2010, \$1,458, and an increase of 2.5 percent in FY 2011, \$1,494.
8. The Benefits expenditures are affected due to the claims cost increase for the new enrollees and claims expenditures for dental. Since the bill has limited funding, the State Fiscal Year average dental rate for FY 2008 is \$412.30, increase to \$433.62 in FY 2009, increase to \$456.23 in FY 2010 and increase to \$480.00 in FY 2011.
9. The estimated number of individuals that are underinsured is 1,140 per year. The dental expenditures serve the estimated number of recipients based on the funding.
 - a. Fiscal Year 2008 115 individuals x \$412.30 = \$47,415
 - b. Fiscal Year 2009 116 individuals x \$433.62 = \$50,300
 - c. Fiscal Year 2010 109 individuals x \$456.23 = \$49,729
 - d. Fiscal Year 2011 102 individuals x \$480.00 = \$48,960
10. The DPHHS will manage expenditures to fit within the funding available.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.50	0.50	0.50	0.50
<u>Expenditures:</u>				
Personal Services	\$22,979	\$22,979	\$23,553	\$24,142
Operating Expenses	\$4,197	\$1,422	\$1,458	\$1,494
Benefits	\$47,415	\$50,300	\$49,729	\$48,960
Transfers	\$75,000	\$75,000	\$75,000	\$75,000
TOTAL Expenditures	\$149,591	\$149,701	\$149,740	\$149,596
<u>Funding of Expenditures:</u>				
General Fund (01)	\$75,000	\$75,000	\$75,000	\$75,000
State Special Revenue (02)	\$74,591	\$74,701	\$74,740	\$74,596
TOTAL Funding of Exp.	\$149,591	\$149,701	\$149,740	\$149,596
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$75,000	\$75,000	\$75,000	\$75,000
TOTAL Revenues	\$75,000	\$75,000	\$75,000	\$75,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)
State Special Revenue (02)	\$409	\$299	\$260	\$404

Technical Notes:

With no limitation or cap per client for dental benefits provided in the bill, if the DPHHS did not limit participation, the benefits could exceed the appropriation and funding provided.

Sponsor's Initials

Date

Budget Director's Initials

Date